

Date: Monday, April 6 2020 03:55 PM
Subject: Re: Deferrals
From: Dempsey, Jimmy <Jimmy.Dempsey@flyfrontier.com >
To: Paul Sheridan <paul.sheridan@amck.aero>;
CC: Fanning, Robert <robert.fanning@flyfrontier.com >; Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com >; Jane O'Callaghan <jane.ocallaghan@amck.aero>;
Attachments: image001.png

Hi Paul

This is very disappointing news. My reading of your email assumes that you will only agree the rent deferral if we defer aircraft deliveries with Airbus? As a result, I can only deduce that you will finance the aircraft deliveries and honour your commitment to Frontier if we do not put a rent deferral in place. This is a very disappointing outcome.

As a backdrop, I have spoken to Airbus about your request and their immediate reaction has been to threaten Frontier with default. This is also not a very palatable event for you or us.

Please do reconsider your position.

Jimmy

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From: Paul Sheridan <paul.sheridan@amck.aero>
Sent: Friday, April 3, 2020 9:23:37 AM
To: Dempsey, Jimmy <Jimmy.Dempsey@flyfrontier.com >
Cc: Fanning, Robert <robert.fanning@flyfrontier.com >; Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com >; Jane O'Callaghan <jane.ocallaghan@amck.aero>
Subject: Deferrals

Dear Jimmy,

We have discussed the upcoming 5 A320neo deliveries further with our shareholder overnight.

Unfortunately their position has not changed. We have been authorised to grant you the 3 months' rent deferral requested, on 14 of the 15 aircraft leased by AMCK (excluding the A320neo delivered on 16th March), with repayment over the subsequent 4 months (at 6% interest), but strictly on the basis that we suspend the SLB for six months, by when we hope the market to return to more normal conditions.

As mentioned yesterday we are hearing on a daily basis that many airlines and lessors have agreed deferrals (and in some cases cancellations) and indeed Airbus has just today alluded to cutting its production in order to avoid a glut of undelivered aircraft.

We feel that a deferral of our SLB commitment till Frontier is the prudent course of action and hope that we can work with you on this basis to implement the much needed rent deferrals. While we are one step removed from the front line of the crisis, we have to manage both our cash position and our bank facilities and associated covenants and these tie our hands in what we can do in total.

Kind regards,

Paul

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